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## New Soviet Threat

## The Backdrop

By  
John C. O'Brien

CPYRGHT

Now that the Soviet Union is setting out to compete with the United States for influence in various parts of the world with a new policy of economic penetration, the question everyone is asking is, "Can the Communists succeed?"

The man in a position to give an answer—Allen W. Dulles, head of the Central Intelligence Agency—believes they may. In one of his rare reports to the public, Dulles recently warned against underestimating the Russian threat on the economic front. On the basis of facts and figures on the Soviet economy gathered by the most competent experts available, Dulles reported, "The only safe position to take is that in the technical, engineering and industrial fields, the Soviets can achieve any particular objective we can achieve."



This evaluation of Russia's ability to compete with us in the economic field represents a departure from the thinking that for a long time has prevailed in official quarters.

Events forced our experts to concede that in the armaments race the Russians are close on our heels, if, indeed, they have not in work on ballistic guided missiles surpassed us. But until quite recently it was the practice among government officials to question whether the Soviets could make good their offers of economic aid and trade agreements in areas where we wish to prevent the extension of Soviet influence. In the main, our experts have been reluctant to believe that the Soviet economy is geared to produce a surplus for export.

However, to continue skeptical about Russia's capacity to produce the type of equipment sought by the underdeveloped nations which seem to be the Kremlin's special targets would be folly, in the light of the information assembled by the CIA. While it will take a long time for the Soviets to attain industrial parity with the United States, Dulles reports that they have been making remarkably rapid progress. In a few decades, he reminds us, they have become the second greatest industrial power in the world, ranking considerably ahead of the United Kingdom.

sia's gross national production is still only slightly more than one-third of that of the United States, this does not mean, Dulles points out, that she will not have a surplus for implementation of her new policy of economic penetration. For, while we devote a large part of our raw materials and industrial plants to turning out consumer goods, the Russians plow back about 45 per cent of their gross national production into the expansion and equipment of their industrial plant.

In the United States, moreover, the wants of the American people largely dictate what American industry produces. Our people want automobiles and washing machines, so we produce 100 times more automobiles and 50 times more washing machines than the Russians.

But in the Soviet Union, as Dulles notes, Ivan's needs or wants take second place in Russian industrial programs. If the Soviet leaders wish to concentrate on military equipment at the expense of all else, they do so. If they wish to produce machine tools and heavy equipment—the type of goods needed and wanted by underdeveloped countries for the industrialization of their own economies—the Russian leaders do so. If labor, from the point of view of the Russian rulers, can be used to better advantage in one field than in another, they can, and do, shift it accordingly.

In short, Dulles assures us, with an industrial base still only a fraction of our own, the Russians will be able to play an active economic role in underdeveloped countries and give us serious competition.

Not only should we not underestimate the Soviet industrial capacity—it has nearly tripled since 1940—but Dulles cautions us against downrating its efficiency. The Russians, he tells us, are no strangers to automation. They are installing automatic and semi-automatic processes and assembly lines in many of their industries. Not only do they lead the world in the production of machine tools, but they have the capability to produce complex, high-precision tools.

That the rapid pace of Soviet industrialization has commanded a high price in terms of over- or living standards and particu-

larly in agricultural production is clear. Food production, for instance, has not kept abreast of the growth in population.

But this shortage in food production, Dulles suggests, may prove to be an advantage to the Soviets in their efforts to extend their trade—and their political influence—in the Middle East and Southeast Asia. Since these areas are largely producers of food and raw materials, a natural basis exists for trade between them and the Soviet Union. For food, which she needs, Russia can barter machine tools and heavy equipment. Such an arrangement for us, on the other hand, would be difficult, since we over-produce food staples and have no need for food imports from other nations.

So long, therefore, as the Soviet rulers can direct their economy to the furtherance of their political aims, they will be able to give us a hard battle for influence throughout the world. Our chief hope of winning that battle, Dulles suggests, may lie in a revolt of the new middle class in Russia against a dictatorship that deprives it of the ordinary material comforts of life.